

THIS ISSUE

Policy Updates and Adoption of the New 2002 Billing Codes

TO:

All Providers
Self-Insured Employers

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Purpose

This *Provider Bulletin* notifies providers and self-insurers of:

- The department's adoption of the new 2002 CPT®, ASA, and HCPCS billing codes.
- Updates and clarifications to coverage decisions and payment policies since July 2001.
- Corrections to the recently published *Ambulatory Surgery Center Fee Schedule*.

Table of Contents

I. Policy Updates

- Fee Schedule Updates
- Fluoroscopy for Spinal Injections
- HIPAA Compliance
- HCPCS "C" Codes

II. Adoption of New 2002 Coding Changes Effective January 1, 2002

- Acceptance and Coverage of New 2002 Billing Codes
- Deleted Codes and Grace Period
- Changes to ASA Codes
- Fee Schedule Information

III. Appendices

- Appendix A – Added CPT® Codes
- Appendix B – Added HCPCS Codes
- Appendix C – Added Category III CPT® Codes
- Appendix D – Deleted CPT® Codes
- Appendix E – Deleted HCPCS Codes
- Appendix F – ASC Fee Schedule Supplement

I. Policy Updates and Changes

Fee Schedule Updates

Beginning this year the Department of Labor and Industries is moving annual rate updates for all providers to the state fiscal year start of July 1. This update schedule coincides with the existing rate update schedule for professional services. For hospitals this means that the rates for inpatient services effective January 1, 2001 will remain in effect until June 30, 2002. For ambulatory surgery centers this means that rates effective January 1, 2002 will remain in effect until June 30, 2003.

Fluoroscopy for Spinal Injections

The policy regarding spinal injections and the use of radiologic localization and guidance is currently under review. During the review process, the policy adopted January 1, 2002 is in abeyance.

HIPPA Compliance

Although workers compensation is exempt from the provisions of the Health Insurance Portability and Accountability Act (HIPAA), the Department of Labor and Industries is working to become HIPPA compliant. The department will provide information in the future as its efforts towards this goal develop.

HCPCS "C" Codes

The HCPCS codes that begin with a "C" were developed by Medicare as temporary codes for its hospital outpatient prospective payment system (OPPS). These "C" codes should only be used by hospitals for outpatient services. If other providers use these codes the line item will be denied. Medicare updates the available codes quarterly.

II. Adoption of New 2002 Coding Changes Effective January 1, 2002

Acceptance and Coverage of New 2002 Billing Codes

On January 1, 2002 the department adopted the annual coding changes made by:

- The American Medical Association (AMA) in their revision of the Physician's Current Procedural Terminology (CPT[®]) coding system (HCPCS level I codes);
- The federal Centers for Medicare and Medicaid Services (CMS) in their revision of the Healthcare Common Procedure Coding System (HCPCS level II codes);
- The American Society of Anesthesiologists (ASA) in their revision of the American Society of Anesthesiologists Relative Value Guide (ASARVG).

Acceptance of these codes means that the department will recognize and accept the new codes on bills, and will no longer recognize and accept the deleted codes that are listed in the above publications after March 31, 2002. The new 2002 CPT[®], ASA, and HCPCS codes should be used to bill for services provided on or after January 1, 2002.

Coverage of the new codes is determined by the department on an individual code basis, and is subject to WAC 296-20-010 which states in part:

“The adoption of these codes on an annual basis is designed to reduce the administrative burden on providers and lead to more accurate reporting of services. However, the inclusion of a service, product or supply within these new codes does not necessarily imply coverage, reimbursement or endorsement, by the department or self-insurer. The

department will make coverage and reimbursement decisions for these codes on an individual basis.

If there are any services, procedures or narrative text contained in the new HCPCS level I and II codes that conflict with the medical aid rules or fee schedules, the department's rules and policies take precedence."

Refer to Appendix A, B, C, and F at the end of this bulletin for a list of the new codes, anesthesia bases, fees, and payment indicators.

Please note: The codes listed in this update, in the Appendices, and in the *Medical Aid Rules and Fee Schedules* contain only partial CPT®, ASA, and HCPCS code descriptions. Providers are responsible for billing according to the complete code descriptions and narrative text printed in the new 2002 CPT®, ASA, and HCPCS books. Copies of these books may be purchased through various commercial publishers. CPT® books may also be purchased directly from the American Medical Association. Providers and self-insurers must refer to these books to determine the appropriate code(s) for billing and payment purposes.

Deleted Codes and Grace Period

Appendices D and E contain a list of deleted CPT® and HCPCS codes. Deleted ASA codes are listed in the next section. For dates of service up to and including March 31, 2002, the department will continue to accept bills containing those codes and modifiers that have been deleted as of January 1, 2002. Services billed with deleted codes and modifiers on or after date of service April 1, 2002 will be denied.

Changes to Anesthesia ASA Codes*

Anesthesia providers should use the anesthesia CPT® codes and descriptions when billing for most anesthesia services. The department also allows payment for two anesthesia nerve block codes published by The American Society of Anesthesiologists (ASA). If there are differences between the CPT® code and ASA code descriptions, providers should bill according to the CPT® code descriptions.

The 2001 ASA nerve block codes 01961 and 01962 have been deleted from the ASA Relative Value Guide. Codes 01961 and 01962 are now CPT® codes used for obstetrical anesthesia services. ASA codes 02100 and 02101 have been added to the 2002 ASA Relative Value Guide to replace the deleted anesthesia nerve block codes. Following are the new ASA Codes and their descriptions.

Added ASA Code	ASA Code Description	Base Units	Deleted ASA Code
02100	Anesth, nerve block	3	01961
02101	Anesth, nerve block, prone	5	01962

*ASA codes and descriptions only are copyright 2002 American Society of Anesthesiologists.

Fee Schedule Information

Throughout the year corrections to the fee schedules can be found on the department's website at: www.lni.wa.gov/hsa in the *Errata and Replacement Pages* section.

III. Appendices

Note

Key for modifiers is in the Field Indicator Keys table on pages 223 – 227 of the July 1, 2001 *Medical Aid Rules and Fee Schedules* which can be found online at www.lni.wa.gov/hsa.

Appendix A – Added CPT® Codes

Appendix B - Added HCPCS Codes

Appendix C - Added Category III CPT® Codes

Appendix D – Deleted CPT® Codes

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